

DRAFT Gambling Control Board Meeting Minutes
April 26 2006
1230 p.m.
Statehouse, Rm 437, Legal & Veterans Committee Room

***Note: Board member Peter Danton swore in new board member, Cushing P. Samp before the meeting.**

Chairman McHale called the meeting to order at 12:40 p.m..

Board members present: Chairman George McHale, Peter Danton, Michael Peters, W. Lawrence Hall and Cushing Samp

Staff members present: Exec. Director Robert Welch, Auditor Scott Woods, Lt. Patrick Fleming, Sgt. Robin Parker and Secretary Kathy Chamberlain.

Legal counsel: Jack Richards, Ass't Attorney General filled in for Melissa O'Dea

- **Review of Minutes from the February 9, 2006 meeting.**

Motion: Peter Danton moved to accept.

Second: Mike Peters

Vote: 4-0

- **Executive Director Report – Robert Welch**

(1). Mr. Welch and auditor, Scott Woods have followed up with all entities who receive revenues from Hollywood Slots to verify receipt of monies, procedures etc. All seems to be in order.

(2). Mr. Welch attended a Regulators Conference in Las Vegas in February, and advised the Board that new technology in terms of downloadable games will be forthcoming in Maine. He also advised that it was suggested the Board develop a Policy on machine malfunction. He will bring some rule changes to next month's meeting for Board consideration.

(3). Update on Problem Gaming – Mr. Welch provided a copy of the Ad that ran for Problem Gaming week in March and will continue to run

(4). Mr. Welch advised that Alliance Gaming Corp. has changed their name to Bally Technologies Inc.

- **Financial Update – Scott Woods, Auditor**

Mr. Woods provided the Board with the past week's revenue information from Hollywood Slots. He advised that it continues, that approximately a million dollars is played each day there, with Saturdays generating about 2 million. Darrell Frecker, general manager of Scientific Games answered some questions from the Board in reference to meter read errors on IGT machines. Overall, Mr. Frecker feels the machines' performances are very good.

- **Update on State Police Activity – Sgt. Robin Parker**

Since the last Board meeting on February 9th, State Police personnel have processed 31 applications, bringing the total of applications processed by Staff since fall of 2005 to 351. The Racino continues to be monitored each day through State Police Inspectors, Detective and Sergeant.

- **New Business – Suitability Hearing on License Application from Mikohn Gaming Corporation d/b/a Progressive Gaming International Corporation**

Jack Richards, legal counsel at today's meeting, conducted the Suitability procedure. No objections to Mikohn becoming licensed from any board members. A letter was read by Mr. Welch from Mikohn as their representation to the meeting today. Mikohn had sent down 3 persons for the March meeting that was cancelled. Andy Grover, financial consultant from McDonald, Page and Fletcher reviewed Mikohn's financial statements and advised the Board that Mikohn is very capable of being licensed despite a lawsuit pending with them currently. It was reported this was a frivolous lawsuit that could take years to settle, so was not a detriment to them being licensed today.

Motion: Mike Peters motioned the Board grant a Vendor License to Mikohn for the upcoming year.

Seconded: Peter Danton

Vote: 4-0 with 1 abstention

- **Public Comments**

Steve Lambert, Ass't General Mgr of Hollywood Slots, advised the Board that they would like to change Chapter 5, Rule 3G1, re: Jackpot payout to allow early reset. This would require patrons to sign for a jackpot, as currently they are not required to do so. Discussed ensued and decision made to review this Rule change for the next meeting. Mr. Lambert separately reported to the Board that Hollywood Slots have started a new program with their Player's Card, in partnership with 16 area hotels and 32 retail businesses, giving discounts to persons presenting the Player's card. The discounts run from 10% - 25%. Finally, Mr. Lambert advised the Board of the progress of negotiations for Hollywood Slots in acquiring the Holiday Inn property in Bangor. There were meetings last week and a Mid 2008 date is projected for the opening of a permanent facility.

Representing the City of Bangor, Chief Don Winslow, Mayor Cashwell, Peter Geaghan of Geaghan's Restaurant and Ken Huhn, Chamber of Commerce, reported to the Board the significant changes in revenue for area restaurants, hotels, stores etc. They were very pleased about the positive effects the Racino has had on economics for Bangor. The Racino has hired local folks and used local services. In attendance and agreement as well were Frank Farrington, City Councilor and former Mayor and Norman Heitmann, City Solicitor. A letter was read from Gary Eckmann of MacDonald's, whose revenue has increased greatly. The City has received \$491,000 so far as a revenue stream from the Racino and have voted to put it in a fund marked for building a new Bangor auditorium. The Racetrack has received about 1.3 million to increase the purses and many renovations have been made at the racetrack to improve appearance and conditions about which the Harness racing folks are very pleased.

- **Unfinished Business**

Brief discussion held by the Board as to the meeting location for future board meetings. General consensus was that being that a board room is being paid rent on at the Dept of Public Safety and that the number of Legislators attending the meetings had not met up with the Board's expectation, there was no reason to continue to hold meetings at the Statehouse if the board room at DPS can be wired for Internet. Decision to have Mr. Welch check into that further as to monies available to pursue this project was made, as well as to return to DPS, once the room was wired.

****Next meeting date set for May 24, 2006 at 1230 in Augusta at the Legal & Vets Committee Room, 4th Floor at the Statehouse, Rm 437****

Meeting adjourned at 2:25 p.m.